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MONTANA LEGISLATIVE HISTORY

Chapter 224 19 91

Bill H 230 S _____ Original bill & history ____C

H. Committee on Local Government		S. Committee on Local Government	
Hearing Date(s) Feb 05	✓ C	Hearing Date(s) Mar 14	✓ C
Feb 12	✓ C	_____	____C
_____	____C	_____	____C
_____	____C	_____	____C
Date Out Feb 12	✓ C	Mar 14	✓ C

Did this bill originate in an interim committee? ____Yes ____No

Committee _____ Report _____

1/17	INTRODUCED		
1/17	REFERRED TO JUDICIARY		
1/25	HEARING		
1/29	COMMITTEE REPORT—BILL PASSED AS AMENDED		
1/31	2ND READING PASSED	95	2
2/02	3RD READING PASSED	92	1
	TRANSMITTED TO SENATE		
2/04	FIRST READING		
2/04	REFERRED TO JUDICIARY		
3/15	HEARING		
3/19	COMMITTEE REPORT—BILL CONCURRED AS AMENDED		
3/20	2ND READING CONCURRED	48	0
3/21	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE WITH AMENDMENTS		
4/09	2ND READING AMENDMENTS CONCURRED	98	0
4/10	3RD READING AMENDMENTS CONCURRED	98	1
4/15	SIGNED BY SPEAKER		
4/15	SIGNED BY PRESIDENT		
4/15	TRANSMITTED TO GOVERNOR		
4/17	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 464	EFFECTIVE DATE: 10/01/91	

HB 229 INTRODUCED BY FAGG, ET AL.
INCREASE PENALTY FOR DISORDERLY CONDUCT OFFENSES

1/17	INTRODUCED		
1/17	REFERRED TO JUDICIARY		
1/17	FISCAL NOTE REQUESTED		
1/21	FISCAL NOTE RECEIVED		
1/24	FISCAL NOTE PRINTED		
1/25	HEARING		
1/25	TABLED IN COMMITTEE		

HB 230 INTRODUCED BY LARSON, ET AL.
ALLOWING FIRE DISTRICT TRUSTEES TO ESTABLISH CAPITAL IMPROVEMENT FUND

1/17	INTRODUCED		
1/17	REFERRED TO LOCAL GOVERNMENT		
2/05	HEARING		
2/13	COMMITTEE REPORT—BILL PASSED		
2/15	2ND READING PASSED	97	0
2/18	3RD READING PASSED	99	0
	TRANSMITTED TO SENATE		
2/19	FIRST READING		
2/19	REFERRED TO LOCAL GOVERNMENT		
3/14	HEARING		
3/15	COMMITTEE REPORT—BILL CONCURRED		
3/16	2ND READING CONCURRED	49	0
3/18	3RD READING CONCURRED	49	0
	RETURNED TO HOUSE		
3/23	SIGNED BY SPEAKER		
3/25	SIGNED BY PRESIDENT		
3/25	TRANSMITTED TO GOVERNOR		
3/29	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 224	EFFECTIVE DATE: 3/29/91	

HB 231 INTRODUCED BY COBB, ET AL.
PROVIDING A PROCEDURE FOR TRANSMITTING A REPORT TO THE LEGISLATURE

1/17	INTRODUCED
1/17	REFERRED TO STATE ADMINISTRATION

HEARING ON HB 285

Presentation and Opening Statement by Sponsor:

REP. SCHYE, House District 18, Glasgow, stated mosquito district funds are tied to the mill levies. HB 285 would allow the County Commissioners to put a fee system on houses and businesses instead of property tax. The people in his district are willing to pay the added fee.

Proponents' Testimony:

Rick Stellflug, Glasgow Mosquito Control District, submitted written testimony. EXHIBIT 4

Brent Magill, Director, Glasgow Public Works, submitted written testimony. EXHIBIT 5

Linda Stoll-Anderson, Montana Association of Counties, went on record in support of HB 285.

Doug Johnson, Cascade County Mosquito Management District, stated HB 285 was an environmental bill. Rural districts will be given the opportunity to raise the funds for new and better chemicals used in mosquito spraying.

Questions From Committee Members:

REP. J. RICE asked REP. SCHYE if the fee assessment would be as an alternate to paying the levy and how many mosquito districts are there in the state. REP. SCHYE stated the fee assessment would be an alternate and there are 34 to 36 mosquito districts.

Bart Campbell explained his interpretation was that districts can have a combination of both the fee assessment and the paying of the levy. REP. J. RICE asked if he was reading the bill wrong. Mr. Campbell said the bill needed to be clarified. REP. SCHYE stated there was confusion and asked the committee to clarify the bill as needed.

Closing by Sponsor:

REP. SCHYE said HB 285 would ease the funding problems mosquito districts are having. Mosquitoes are becoming a health problem in Glasgow.

HEARING ON HB 230

Presentation and Opening Statement by Sponsor:

REP. LARSON, House District 65, Seeley Lake, stated HB 230 would allow the trustees of a fire district to establish a capital improvement fund to replace worn out equipment.

Proponents' Testimony:

James Lofftus, Montana Fire District Association, stated fire districts need creative financing to replace worn out equipment.

Tom Leonard, West Helena Valley Volunteer Fire Department, stated their equipment is outdated and needs to be replaced. We need a fund where we can save monies until the equipment is ready to be replaced.

Roy Cornell, Beaverhead Fire District #2, Dillon, said reserve funds were illegal and there was no statutory provision for reserve funds in fire districts.

Bruce Suenram, Missoula Rural Fire District, stated fire districts need a fund to reserve the money needed to keep fire apparatus operating safely.

Linda Stoll-Anderson, Montana Association of Counties, said most counties in Montana are taking audit exceptions because of the legal inability to create the capital development funds needed for volunteer fire districts.

Henry Lohr, Montana Volunteer Firefighters Association, wanted to go on record in support of HB 230.

Closing by Sponsor:

REP. LARSON asked the committee to look favorably on HB 230.

EXECUTIVE ACTION ON HB 65

Motion: REP. McCAFFREE MOVED HB 65 DO PASS.

Discussion: Bart Campbell explained the amendments. EXHIBIT 6

Motion: REP. McCAFFREE moved to amend HB 65. Motion carried unanimously.

Motion/Vote: REP. J. RICE MADE A SUBSTITUTE MOTION THAT HB 65 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 290

Motion/Vote: REP. GOULD MOVED HB 290 DO PASS. Motion carried unanimously.

Motion/Vote: CHAIR WYATT MOVED HB 290 BE PLACED ON CONSENT CALENDAR. Motion carried unanimously.

EXECUTIVE ACTION ON HB 122

Motion: REP. STICKNEY MOVED HB 122 DO PASS.

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 2-5-91

NAME	PRESENT	ABSENT	EXCUSED
Rep. Paula Darko	X		
Rep. Jessica Stickney, Vice-Chair	X		
Rep. Joe Barnett	X		[redacted]
Rep. Arlene Becker	X		
Rep. Vivian Brooke	X		
Rep. Dave Brown			X
Rep. Brent Cromley	X		
Rep. Tim Dowell	X		
Rep. Budd Gould	X		
Rep. Stella Jean Hansen	X		
Rep. Harriet Hayne	X		
Rep. Ed McCaffree	X		
Rep. Tom Nelson	X		
Rep. Jim Rice	X		
Rep. Sheila Rice	X		
Rep. Richard Simpkins	X		
Rep. Norm Wallin	X		
Rep. Diana Wyatt, Chair	X		

CS05LOCGOV.MAN

Discussion:

REP. McCAFFREE asked if the amendments will exclude cities. Bart Campbell replied yes.

REP. SIMPKINS said it will allow class one counties to levy a tax up to $58,000. A cap should be placed on the class 1 counties. REP. DOWELL stated they are not talking about a levy, but taking the two mills from somewhere else. REP. DARKO stated the counties are trying to separate this fund from the general fund to cover fire costs.

Motion/Vote: REP. DOWELL MADE A SUBSTITUTE MOTION THAT HB 354 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON HB 230

Motion/Vote: REP. STICKNEY MOVED HB 230 DO PASS. Motion carried unanimously.

ADJOURNMENT

Adjournment: 5:00 p.m.

DIANA WYATT, Chair

LOIS O'CONNOR, Secretary

DW/lo

HOUSE OF REPRESENTATIVES

LOCAL GOVERNMENT COMMITTEE

ROLL CALL DATE 2-12-91

NAME	PRESENT	ABSENT	EXCUSED
Rep. Paula Darko	X		
Rep. Jessica Stickney, Vice-Chair	X		
Rep. Joe Barnett	X		
Rep. Arlene Becker	X		
Rep. Vivian Brooke	X		
Rep. Dave Brown	X		
Rep. Brent Cromley	X		
Rep. Tim Dowell	X		
Rep. Budd Gould	X		
Rep. Stella Jean Hansen	X		
Rep. Harriet Hayne	X		
Rep. Ed McCaffree	X		
Rep. Tom Nelson	X		
Rep. Jim Rice	X		
Rep. Sheila Rice	X		
Rep. Richard Simpkins	X		
Rep. Norm Wallin	X		
Rep. Diana Wyatt, Chair	X		

CS05LOCGOV.MAN

5:00
2-12-91
JDB

HOUSE STANDING COMMITTEE REPORT

February 12, 1991

Mr. Speaker: We, the committee on Local Government report that House Bill 230 (first reading copy -- white) do pass .

Signed: Diana Wyatt
Diana Wyatt, Chairman

MINUTES

MONTANA SENATE
52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON LOCAL GOVERNMENT

Call to Order: By Chairman Esther Bengtson, on March 14, 1991, at 3:40 p.m.

ROLL CALL

Members Present:
Esther Bengtson, Chairman (D)
Eleanor Vaughn, Vice Chairman (D)
Thomas Beck (R)
Dorothy Eck (D)
H.W. Hammond (R)
Ethel Harding (R)
John Jr. Kennedy (D)
Mignon Waterman (D)

Members Excused: Gene Thayer (R)

Staff Present: Connie Erickson (Legislative Council).

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Announcements/Discussion: none

HEARING ON HB-230

Presentation and Opening Statement by Sponsor: Representative Don Larson, District 65, said this bill will allow a fire district to establish capital improvement fund. This allows fire districts to do something they are not specifically authorized to do in the law. County Attorneys are legal counsel for many of these fire districts, and they have said they can not do this without having it specifically stated in the law. So this will clarify the law to allow establishment of a capital improvement fund. As you know, fire trucks are more expensive, and so capital improvements are a major budget item. We ask the committee to consider their ability to generate these capital improvement funds.

Proponents' Testimony: James Lofftus, President, Montana Fire Districts Association (MFDA) said they have had calls from different fire districts throughout the state saying that the auditors they use are writing them up and telling them they can't do this. Their opinion is that fire districts must have a capital improvement fund to accumulate money to buy fire trucks, fire equipment, hoses, etc. This is a bill that will authorize this. The bill states that the cost of the equipment must exceed $500,000 and the equipment life expectancy must also exceed 5 years.

Henry Lohrs, Montana State Volunteer Firefighters Association (MSVFA), said their equipment is getting more expensive, and they need another way to have enough money to replace it if an engine blows up or something. These kinds of emergencies can not be anticipated, so if the money was available it would be great. He asked the committee to support HB-602.

Bruce Suenram, Chief Executive Officer, Missoula Rural Fire District, supported this bill.

Lyle Nagel, Montana Fire Chiefs Association, supported this bill.

Gordon Morris, Executive Director, Montana Association of Counties (MACo) endorsed this bill, and testified in favor of it in the House. He asked the committee for favorable consideration.

Roy Cornell, Beaverhead Fire District, supported this bill (Exhibit #1).

Opponents' Testimony: none

Questions From Committee Members:
Senator Bengtson said that this committee has been very generous and allowed bonding, but now you want to have capital improvement funds, too. Where are the checks and balances to protect the fee payers from ever increasing fees? Is this paid by mill levies or fees? Bruce Suenram, MRFD, said that the bonding is checked by the election process. Capital improvements would be subjected to a public hearing process, and then again when the commission sets the levy. Senator Bengtson asked about the apathy of people to run for trustee positions, and what level do you get the voters' attention? Mr. Suenram said that he has wondered how high the levy to vote on would have to be to get the voters to notice. Senator Bengtson asked if there is a limit to the number of mills

Senator Bengtson asked if there is a limit to the number of mills that can be levied by the fire district? Mr. Suenram said the limit is set by I-105. Senator Bengtson was concerned about the chance of possible abuse. Mr. Suenram said as in all elected offices there is the chance for abuse, but every year there is a trustees election, so they can be replaced.

Senator Eck said that the counties and school districts with elected officials have a lot of caps on how much they can spend. Her concern was where this was going to be codified? Does it apply to all fire districts, volunteer districts. Usually things are codified in several sections of law depending on the type of districts they are? C. Erickson said this is codified in the section on Rural Fire District. It is not codified in the area for Fire Service Areas, this only applies to the rural fire districts. Senator Eck asked if this applied to volunteer districts? C. Erickson said those are volunteers. Senator Eck stated that the others will come in next session.

Senator Vaughn said that Senator Bengtson had asked if there is a limit on the capital improvement fund, and she had not heard a direct answer. Is there a cap on what can be set up for this improvement fund? Representative Larson said that there is not, and Bruce Suenram said the cap is the voter election. He pointed out that water and irrigation districts have the authorization for capital improvement districts. All the other service districts have capital improvement funds.

Senator Hammond stated that voters do no approve an assessment. Representative Larson said that the county commissioners decide. Mr. Suenram said that the fire districts in Montana are so different and this is the complicating factor. We range from large ones like Lockwood with million dollar budgets to small ones like Havre with budgets less than $10,000. To establish a cap that is equitable is difficult. Our auditor has told us that our capital improvement fund should be about $250,000, so we can fund the purchases of our apparatus. For a small fire district this would not work.

Senator Bengtson asked what the laws governing capital improvement funds, and what are the restrictions? Can you spend or transfer funds from the capital improvement fund to buy a high priced jeep? Mr. Suenram said the auditor would not allow funds to be transferred somewhere else. Their audit is every year, but it did not think that funds from the capital improvement fund could be transferred to support the regular budget.

aside funds, aren't they? Isn't this the second bill to legalize what you are already doing? You're a bunch of bandits! Mr. Suenram said MRFD's auditor named a fund "Appreciation and Amortization" and put it in the budget. But other auditors in Ravalli County are raising the red flag, and saying that rural fire districts can't have this money stashed away. We are trying to correct something, and as usual no auditor and county attorney ever agree.

Senator Bengtson suggested that line 11 could be changed to "must" instead of "may", so that it is not permissive. Mr. Morris had found code relating to capital improvement funds. He apologized that the House had not brought this up. He understood this would establish the authority for a capital improvement fund, and that authority would be codified in the rural fire district section of Title 7 as set forth in section 2 of the bill. More importantly, the provisions for regulating the fire district capital improvement funds is in Title 7, Chapter 6, Part 41, part 4134 specifically. "Capital improvement program fund: an amount not to exceed 5% of the money received from, that is part of the a for said all purpose levy may be placed in a separate fund known as the capital improvement fund to be earmarked with the replacement and acquisition of property or equipment costing in excess of $5,000 with a life expectancy of 5 years of more. Provided that a capital improvement program has been formally adopted by the city, town, or county ordinance." This section of law would govern the rural fire district capital improvement fund just as it would all other county improvement funds. The code goes on to tell how the money in a capital improvement program can be invested. The committee is looking for a limitation, and here is a very clear 5% limitation on how much money can be set aside annually. It is not a significant amount. MACo has considered trying to increase that amount because you do not have an opportunity to build a significant amount of capital.

Senator Bengtson asked 5% of what? Mr. Morris said 5% of their total budget. If you have a $100,000 budget then 5% could be diverted into a capital improvement fund.

Senator Hammond said this is in the code that controls county funds or agencies, so it is the same across the state? Mr. Morris said yes it is. Senator Hammond clarified that a fire district that crosses two counties would still be the same? Mr. Morris said correct.

Senator Bengtson asked if it would be clearer if "must" was added? Mr. Morris said it was probably unnecessary because the

fund is and of itself solely used for purposes of purchase acquisition and so on. The "must" would be redundant.

Senator Eck said she would like to see the bill codified in the other section of law. Mr. Lofftus said that the new section 2, line 18 was originally designed to refer to Title 7 and chapter that Mr. Morris cited, and he was not sure why it had been changed to Title 7, Chapter 33, part 21. This could probably be changed back to the what the original section was.

Closing by Sponsor: Representative Larson closed by saying that the codification is pertinent to bring up the limitations on the capital improvement fund. Mr. Morris cited the code on how you develop capital improvement funds. He hoped the committee looked favorably upon the bill. He did not see any difficulty in adding specific instructions in the codification, but it might be redundant.

Senator Bengtson turned the chair over to Vice-Chairman Eleanor Vaughn, so she could go present one of her bills in the House.

HEARING ON HB-791

Presentation and Opening Statement by Sponsor: Representative Steve Benedict, District 64, said this bill accomplishes 2 things. First it will specify the direct supervision by the local sheriff is not necessary over search and rescue operations. The sheriff will be allowed to designate another person to be in charge. An example is when the search and rescue people are conducting a rescue dive to locate the victim of a water accident, the person really in charge is the dive master. Under this bill, the sheriff would be able to designate him as the person in charge on sight. Secondly the language is expanded relative to the sheriff's span of control, so that supervision can be by radio or phone. This language is the same as contained in another section of law, 7-32-216 which deals with reserve deputies. The reason for these changes is to allow coverage of search and rescue people by Workers' Comp while they are engaged in rescue operations for the public authority. The hours these people are actually in service have to be authorized and records kept, which comes under the rules established by the MACo Workers' Comp program.

EXECUTIVE ACTION ON HB-230

Motion: Senator Kennedy moved to Concur in HB-230.

Discussion: C. Erickson explained that Senator Eck had requested that codification occur in the county budget law. She defended the Legislative Council because she wrote this bill, and the bill request did not have codification in this second area. She had recommended a limitation, but the bill requester said they did not want any limitations on the bill, so none was put in. The comment that the bill was supposed to have been codified somewhere else is not correct. The request did not have any kind of codification request. She chose where to codify it, and she chose rural fire district law which is the most logical place to put it. She did not want the committee to think that the requester's wishes, and that the Legislative Council arbitrarily chose to codify it somewhere else.

Senator Beck stated that he has never seen a capital improvement funds that didn't have some type of a cap on it. The way this bill reads they could save $2 million dollars in the fund. Senator Bengtson said this was discussed when Senator Beck had left for a hearing, and it was determined that 5% of the budget can be put into the fund each year. Senator Beck still questioned how high the fund can grow at 5%/year, but it does not say when the funds need to be spent.

C. Erickson said the general county budget law reads "authorization to establish a capital improvement fund; levy for capital improvement fund; money for the capital improvement fund is to be derived from the multiple levies authorized by a statute and appropriated in the capital improvement fund. However, no more than 10% of the money derived from any one levy may be appropriated to the capital improvement fund." So she felt that in case of a rural fire district, the county commissioners levy the taxes not the fire district. Also the rural fire district law concerned with budgeting says that the budget laws of the county apply to the budgets of the rural fire districts.

Senator Vaughn stated no more than 5% of the budget of 10% of the levy. C. Erickson said that was in municipal law. Senator Beck said county law says that the capital improvement can not exceed 10% of the levy? C. Erickson said that only 10% of the levy can be appropriated to the capital improvement fund. Senator Beck asked if she knew of any cap on the fund? Could we put it in the

bill that it is the authority of the county commissioners to put a cap on it in their area?

Gordon Morris, MACo, said he scrambled at the hearing of this bill to find the capital improvement fund, and since he has found the county section. It is 10%. He wanted to explain how this works. In a county context, and this would be the same for a fire district, they can accumulate 10% of each and every levy for the county into a capital improvement fund. So you take 10% of the general fund, 10% of the fair fund, etc. and put it into a capital improvement fund. This can be done, and the concerns of a cap are addressed by the fact that the capital improvement fund has to repay the general fund, the weed fund, the fair fund, etc. by way of monies to be used for capital improvements for that specific fund within a ten year period. The fund is intended to accumulate over the course of 10 years, and every fund that has put money in has to get its money back within that 10 years for some available project. Looking at the fire district, the maximum amount they could accumulate would be 10%/year for a total of 10 years. At that point they would have to put this money into a major capital improvement.

C. Erickson said the code is 7-6-2221, which is the limitations on capital improvement funds, and 7-33-2105 which is powers and duties of rural fire district trustees says "the budget laws relating to county budgets shall as far as applicable apply to fire districts."

Senator Beck asked Mr. Morris if this would be 10%/year for 10 years, or 100% of what you actually levy? This would be the cap. Mr. Morris said this would be the cap in that fund over 10 year time span. He said you would assume that you might accumulate money sufficient to make a purchase or do a project before the 10 year time period. You would draw the fund done, and so you would then continue to build it. Senator Beck asked if this was levied for ten years, and 1/4 of it was spent, can only the 1/4 be replaced or could the fund start the 10 year cycle again? Mr. Morris thought you would start the 10 year cycle again. If you let the fund grow for 10 years, spent down the equivalent of 4 years, then you could only grow it back the same years to get it to the maximum allowed. Senator Beck stated that the actual maximum is 10 x 10, or 10% for 10 years. Mr. Morris said it is 10 x 10% of the adopted budget is the maximum, and it is just about 100%.

Senator Hammond said Mr. Morris said the "budget", but C. Erickson referred to the levy? Mr. Morris said it is the levy, but understand how that works in terms of the budget. He added

that from the county perspective, this would be a very useful section of law, but counties do not have the luxury of setting aside 10% of the budget by virtue of the number of mills that you will assess, to put it into a capital improvement fund. What they do when they do the budget, it go across the tax levy requirement schedule; appropriations, cash, non-tax revenue; then you calculate the number of mills. The equivalent of 10% needed for a capital improvement is added, but counties at a 25 mill levy do not have the additional 10% that could be levied for capital improvement. This has been a county predicament for several years.

Senator Beck said the bill says "the capital must exceed $500,000 over 5 years", and he thought there would be purchases in a fire district that would be less than that amount that would still be classified as a capital outlay. Mr. Morris said the distinction needs to be made between a capital improvement and a capital outlay. Typically, in a capital improvement program there are things like vehicle replacements schedule, a long range building program. What Senator Beck talked about equipment would be purchases defined in terms of fixed dollar amounts that would not exceed this amount. Otherwise they would be capital equipment. A cat tractor is a capital equipment. Senator Beck said he understood the definition.

C. Erickson said the $500,000 language comes right from the general county statute.

Recommendation and Vote: The motion was made earlier by Senator Kennedy to Concur in HB-230. The motion carried, and was recorded as a roll call vote. Senator Kennedy will carry HB-230.

Senator Bengtson took over the chair from Vice-Chairman Eleanor Vaughn.

DATE MARCH 14, 1991

COMMITTEE ON SENATE LOCAL GOVERNMENT

VISITORS' REGISTER

NAME	REPRESENTING	BILL #	Check One: Support	Check One: Oppose
JAY PRINTZ	MT. Sheriffs & Peace Officers Assoc.	HB 791	X	
Terry E Lohr.	MT. Vol Firefighters Assn	HB-230	X	
Roy Cornell	Beaverhead Fire Dist.	HB230	X	
Edie Schlesinger	MT. LIBRARY ASSOC.	HB602		
Dan Fuchs	DHES	SB407	X	
Richard Miller	MT State Library Comm.	HB602		
Donna Jensen	MT Water Quality Ass.	SB407	X	
Gale Nagel	Mt. St. Vol Firefighters Assn Mt. St. Fire Chiefs Assn	HB230	X	
JAMES A. LOFFTUS	MT FIRE DIST ASSC	HB230	X	
Bruce Suenram	Mola Rural Fire Dist	HB230		
Gordon Morris	MACo	230, 706 791	✓	
Howard W. Hoi	Helena City Commissioner	230, 706 791	✓	
Jane Harrison	Mt. Sheriffs & Peace Offs	791	✓	
Ray Wehrenmeister	MT Rural Water Coal	407	✓	
JOE STEINER	CITY OF BILLINGS	407		—

(Please leave prepared statement with Secretary)

ROLL CALL

SENATE LOCAL GOVERNMENT COMMITTEE

DATE 3-14-91

52 LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
Senator Beck	X		
Senator Bengtson	X		
Senator Eck	X		
Senator Hammond	X		
Senator Harding	X		
Senator Kennedy	X		
Senator Thayer			X
Senator Vaughn	X		
Senator Waterman	X		

Each day attach to minutes.

DILLON
VOLUNTEER
FIRE
DEPARTMENT

P.O. Box 702
DILLON, MONTANA 59725

March 6, 1991

SENATE LOCAL GOVT. COMM.
EXHIBIT NO. 1
DATE 3-14-91
BILL NO. HB-230

Esther Bengtson, Chairman
Local Government Committee
Montana Senate
Helena, MT 59620

RE: House Bill 230 Enabling Fire Districts to Maintain Capital Reserves.

Dear Senator

Since I am unable to attend hearings Friday to support House Bill 230 I offer this written support of the bill. Fire Districts need capital reserves both to replace equipment that costs upward of $200,000 (for an engine) or for emergency repairs to existing apparatus they probably cannot afford to replace on frozen mill levies set by I-105. No private sector business can operate efficiently without a fund to deal with contingencies not forseen in the budget like equipment breakdown or major loss. Also, replacement of very expensive apparatus requires long term funding and planning or even a bond issue which Fire Districts are also not permitted to use. Certainly emergency response outfits should be given this capability that is already provided to other special districts and to other governmental entities!

A state auditor told me recently that districts faced this limitation and that although most of those he audited did so any way he was forced to write up the act as a violation. He also said his office realized it was a necessary part of doing business and that enforcement was not taken very seriously. He suggested that it was a problem that need legislative attention. In short, this is one of those situations that forces honest people to break the law!

My district managed to save money on a very meager mill levy for several years with the hope of replacing its aging fire truck someday. Instead it spent about half if its $20,000 to repair a major engine failure and reline the rusted tank since there was no hope of replacing the unit at today's prices. If the "illegal" fund had not existed we would have been out of the firefighting business until some other means of funding could have been found.

You have the chance to correct a long-standing problem for fire districts with the passage of this bill. I ask that your committee give this bill a "Do Pass" recommendation and support the bill in the Senate. I thank you for your time and attention and your service to the State Of Montana!

Sincerely,

Roy Cornell

Roy Cornell, Fire Chief and
Secretary of Beav'd Fire District #2

ROLL CALL VOTE

SENATE COMMITTEE LOCAL GOVERNMENT

Date 3-14-91 Bill No. HB-230 Time 5:09

NAME	YES	NO
SENATOR BECK	X	
SENATOR BENGTSON	X	
SENATOR ECK	X	
SENATOR HAMMOND	X	
SENATOR HARDING	X	
SENATOR KENNEDY	X	
SENATOR THAYER		didn't hear Bill
SENATOR VAUGHN	X	
SENATOR WATERMAN	X	

JOYCE INCHAUSPE-CORSON
Secretary

ESTHER BENGTSON
Chairman

Motion: move to Concur in HB-230
Senator Kennedy will carry

SENATE STANDING COMMITTEE REPORT

Page [illegible]
March [illegible]

MR. PRESIDENT:

We, your committee on [illegible] to which was referred [illegible] having had under consideration House Bill No. [illegible] printed [illegible] copy thereof, respectfully report that House Bill No. [illegible] be [illegible] amended as

[illegible]

[illegible]
Chairman Senate [illegible] Committee

[illegible]
Asst. Secretary

[illegible]
Secretary of Senate